

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

TRUTH -IN-BILLING
AND BILLING FORMAT

CC Docket No. 98-170

To: The Commission

COMMENTS

Northwestern Indiana Telephone Company, Inc. ("NITCO") by its attorneys and pursuant to Section 1.415 of the Commission's rules, respectfully submits these Comments in response to the Notice of Proposed Rulemaking In the Matter of Truth-In-Billing and Billing Format, released for comment on September 17, 1998 (CC Docket 98-170) (hereinafter "NPRM"). Through these comments, NITCO expresses its concern over particular aspects of the telephone bill proposals set forth in the NPRM.

Introduction

1. NITCO is an Indiana corporation headquartered in Hebron, Indiana. NITCO provides local exchange service to approximately 12,400 subscribers in five exchange areas in rural northwestern Indiana.

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2. As a local exchange carrier ("LEC") which serves rural communities, NITCO's interest in this matter derives from its concern that new billing standards proposed by the Commission will be burdensome to rural LECs and not achieve the intended purposes.

**Proposals For Organization of Customer Bills Would Be
Expensive For Carriers To Provide, and Unnecessary to Consumers, on a Monthly Basis**

3. In the NPRM the Commission proposes that telephone bills should provide consumers with clear and conspicuous notification of any changes or new charges in their telephone bills, such as a separate page which highlights any changes in the consumer's service status information or new charges since the consumer's last bill. NITCO submits that such a requirement would be expensive and burdensome for carriers to implement. To provide such information to customers would require the development of a new database to track such information. The cost of compiling and maintaining such a database would be expensive, and not necessarily recoverable, particularly for small and rural carriers such as NITCO. Such LECs and their billing contractors do not presently have databases which support a presentation of the types of summary information the FCC is proposing be provided to customers. To require a complete overhaul of these systems is unreasonable and places a roadblock to competition, particularly for prospective competitors in rural carriers.

4. Any business' ability to satisfy its customers is one of that company's greatest competitive advantages. Customers seemingly are interested in changes to their telephone bill format and LECs, both large and small, are trying to respond. The concern, however, is that the Commission will prescribe mandates for billing format which will be unduly burdensome for LECs to meet (particularly small and rural LECs which often times do not have the financial means to

prepare their own billing in-house) and thereby will hamper a LEC's ability to compete effectively in its service area. Ultimately, it is better to rely on the customer-carrier relationship and allow the customer to contact its service provider with any questions about its bills. The carrier is pleased to respond to any inquiries and desires to satisfy its customers in all instances. Otherwise its customers will find alternative service providers whenever possible.

5. Several of the proposed organizational changes would result in additional pages to the customer's bill. As set forth in the NPRM, the FCC proposes the following newly added pages: separate pages to present separate categories of service within the telephone bill, separate page(s) to summarize the current status of the customer's services, including the identity of the consumer's presubscribed carriers and service providers, and separate page(s) to indicate any status changes occurring within a telephone bill on a monthly basis, such as changes to presubscribed carriers and explanations of any new types of line item charges appearing on the bill for the first time. These suggested additional pages would greatly increase the size of each customer's bill. Not only does the size of the bill and the additional information required create a burden on the carrier, it also further complicates the bill for the customer. Additional pages every month would not necessarily make a bill clearer to a customer, but rather overwhelm them with additional information which may confuse the average consumer. NITCO believes that virtually all customers would simply discard all but the portion of the bill which states the total amount due.¹

^{1/} If the Commission, despite NITCO's request, decides to require billing changes for certain purposes, the frequency of such an obligation should not be monthly. An annual bill explanation is a better alternative to separate pages on a monthly basis.

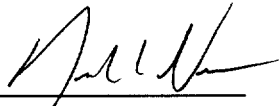
**Differentiating Between Deniable and Non-Deniable
Charges On Customer Bills Is Burdensome For LECs**

6. In its NPRM the Commission seeks comment on whether or not telephone bills should differentiate between “deniable” and “non-deniable” charges. Such a distinction, as proposed by the FCC, would allow customers to not pay select charges which they believe to be inaccurate without concern that their service will be disconnected. NITCO sees this proposal as a potentially burdensome problem for service providers. The concern here is that consumers will consider these charges to be optional and will routinely not pay their bills with the assurance that their service cannot be turned off. This situation puts a significant burden on service providers to service ongoing outstanding balances by their customers. This becomes even more complicated where the customer fails to pay charges that are passed through from other service providers on the carrier’s bill. In this instance, the carrier is forced to take on the burden of policeman for several service providers, and ultimately suffers the majority of financial harm from non-payment of legitimate charges purely because the consumer deems the charges to be “optional.” Small and rural area service providers such as NITCO suffer an even greater level of burden and financial harm under these circumstances simply due to their small size.

Accordingly, NITCO disagrees with specific aspects of the Commission's NPRM on truth-in-billing and billing format which appear to place unnecessarily burdensome and costly measures on local exchange carriers. Instead, NITCO suggests that the FCC issue guiding principals, as opposed to specific requirements, for billing format to give LECs flexibility in their billing formats. NITCO requests that the FCC make modifications to its proposals to ensure that wasteful new obligations not be placed on LECs.

Respectfully submitted,

**NORTHWESTERN INDIANA
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CERTIFICATE OF SERVICE

I, Loren Costantino, an employee in the law offices of Lukas, Nace, Gutierrez & Sachs, Chartered, do hereby certify that I have on this 13th day of November, 1998, sent by hand-delivery, a copy of the foregoing Comments to the following:

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